

## EXHIBIT E

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

October 2004 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

MILBERG WEISS BERSHAD &

SCHULMAN LLP,

DAVID J. BERSHAD,

STEVEN G. SCHULMAN,

SEYMOUR M. LAZAR, and

PAUL T. SELZER,

Defendants.

CR 05-587(A)-DDP

F I R S T  
S U P E R S E D I N G  
I N D I C T M E N T

[18 U.S.C. § 371: Conspiracy;  
18 U.S.C. § 1962(d):  
Racketeering Conspiracy;  
18 U.S.C. §§ 1341 & 1346: Mail  
Fraud; 18 U.S.C. § 1956(h):  
Money Laundering Conspiracy; 18  
U.S.C. § 1956(a)(1)(B)(i):  
Money Laundering; 26 U.S.C.  
§ 7206(1): Subscribing to False  
Tax Return; 18 U.S.C. § 1503:  
Obstruction of Justice;  
18 U.S.C. § 2: Aiding and  
Abetting and Causing an Act to  
be Done; 28 U.S.C. § 2461(c), 18  
U.S.C. § 981(a)(1)(C) & 21 U.S.C.  
§ 853: Criminal Forfeiture;  
18 U.S.C. § 1963: Criminal  
Forfeiture; 18 U.S.C.  
§ 982(a)(1) & 21 U.S.C. § 853:  
Criminal Forfeiture]

DAA:RER:RJM

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1 The Grand Jury charges:

2 **INTRODUCTORY ALLEGATIONS**

3 **I. DEFENDANTS**

4 1. At all times relevant to this Indictment, defendant  
5 MILBERG WEISS BERSHAD & SCHULMAN LLP, formerly known as "Milberg  
6 Weiss Bershad Hynes & Lerach LLP" and "Milberg Weiss Bershad  
7 Specthrrie & Lerach" ("MILBERG WEISS"), was a New York law firm  
8 partnership with principal offices in New York, New York and,  
9 through on or about May 1, 2004, San Diego, California. At all  
10 times relevant to this Indictment, MILBERG WEISS represented  
11 plaintiffs in class actions and shareholder derivative actions in  
12 federal and state courts throughout the United States, including  
13 in the Central District of California.

14 2. At all times relevant to this Indictment, defendant  
15 DAVID J. BERSHAD ("BERSHAD") was a named partner in  
16 MILBERG WEISS, the senior partner primarily responsible for  
17 overseeing MILBERG WEISS's financial affairs and accounting  
18 department, and one of MILBERG WEISS's original managing  
19 partners. During the times relevant to this Indictment, BERSHAD  
20 resided in New Jersey and worked in MILBERG WEISS's New York  
21 office. On or about January 1, 1998, BERSHAD was conferred the  
22 title "Partner in charge" of that office and became a member of  
23 the firm's Executive Committee. During the years 1983 through  
24 2005, BERSHAD owned between 10.11% and 17.72% of the firm, and  
25 his share of MILBERG WEISS's profits totaled approximately  
26 \$160.9 million.

27 3. Defendant STEVEN G. SCHULMAN ("SCHULMAN") became a non-  
28 equity partner in MILBERG WEISS on or about January 1, 1989, and

1  
2 became an equity partner in MILBERG WEISS on or about January 1,  
3 1991. During the times relevant to this Indictment, SCHULMAN  
4 resided in New York and worked in MILBERG WEISS's New York  
5 office. SCHULMAN was appointed to MILBERG WEISS's Management  
6 Committee on or about January 1, 1998; became a member of  
7 MILBERG WEISS's Executive Committee on or about January 1, 1999;  
8 and became a named partner on or about May 1, 2004. SCHULMAN's  
9 ownership interest in MILBERG WEISS grew from approximately  
10 1.25%, at the time he became an equity partner in 1991, to 15.0%  
11 in 2005. During the years 1991 through 2005, SCHULMAN's share of  
12 MILBERG WEISS's profits totaled approximately \$67.1 million.

13 4. During the times relevant to this Indictment,  
14 defendants BERSHAD and SCHULMAN each possessed substantial  
15 control over the management and conduct of MILBERG WEISS's  
16 business affairs. Prior to on or about January 1, 1999, BERSHAD,  
17 as an original managing partner, possessed the authority to veto  
18 any proposed action or decision affecting the operation or  
19 management of MILBERG WEISS. Between on or about January 1, 1999  
20 and May 1, 2004, BERSHAD and SCHULMAN, as members of  
21 MILBERG WEISS's Executive Committee, shared final decision making  
22 authority over all actions or decisions affecting the operation  
23 or management of the firm. After on or about May 1, 2004,  
24 BERSHAD again possessed the authority to veto any action or  
25 decision affecting MILBERG WEISS, and SCHULMAN continued to hold  
26 decision making authority through his vote as a member of  
27 MILBERG WEISS's Executive Committee.

28 5. At all times relevant to this Indictment, defendant  
SEYMOUR M. LAZAR ("LAZAR") resided in Palm Springs, California;

1 owned and controlled substantial real property throughout  
2 Riverside County, California, and elsewhere; and was an active  
3 purchaser and seller of publicly traded stocks. Between in or  
4 about 1981 and 2002, LAZAR and certain of his family members  
5 frequently served as plaintiffs in class actions and shareholder  
6 derivative actions brought and caused to be brought by  
7 MILBERG WEISS, BERSHAD, SCHULMAN, and others.

8 6. At all times relevant to this Indictment, defendant  
9 PAUL T. SELZER ("SELZER") was a California lawyer residing in  
10 Palm Springs, California. Prior to in or about July 1995, SELZER  
11 was a partner in a law firm that maintained offices in Palm  
12 Springs and elsewhere in California (the "Palm Springs Law  
13 Firm"), which specialized in real estate, business, and municipal  
14 law. In or about July 1995, SELZER left the Palm Springs Law  
15 Firm to co-found a small law firm in Palm Springs, California  
16 (the "Selzer Law Firm"), where he was a partner through in or  
17 about 2004. At all times relevant to this Indictment, SELZER,  
18 the Palm Springs Law Firm, and the Selzer Law Firm provided legal  
19 services to defendant LAZAR relating to his business and real  
20 estate holdings and other personal affairs. SELZER specialized  
21 in non-litigation matters and had no expertise in litigating  
22 class actions or shareholder derivative actions; the other  
23 attorneys at the Palm Springs and Selzer Law Firms likewise had  
24 little if any experience in litigating class actions or  
25 shareholder derivative actions.

26 **II. OTHER INDIVIDUALS**

27 7. During the times relevant to this Indictment,  
28 "Partner A," "Partner B," and "Partner E" were senior partners in

1 MILBERG WEISS.

2 8. During the times relevant to this Indictment,  
3 Howard J. Vogel ("Vogel") resided in New Jersey and Florida and  
4 worked primarily as a commercial real estate mortgage broker.  
5 Between in or about 1991 and 2005, Vogel and certain of his  
6 family members and associated entities frequently served as  
7 plaintiffs in class actions and shareholder derivative actions  
8 brought and caused to be brought by MILBERG WEISS, BERSHAD,  
9 SCHULMAN, and others.

10 9. During the times relevant to this Indictment,  
11 Steven G. Cooperman ("Cooperman") resided in Brentwood,  
12 California and Connecticut and, prior to in or about May 1989,  
13 was a licensed ophthalmologist. Between in or about 1988 and  
14 1998, Cooperman and certain of his relatives and associates,  
15 including "Cooperman Plaintiff 1" and "Cooperman Plaintiff 2,"  
16 frequently served as plaintiffs in class actions and shareholder  
17 derivative actions brought and caused to be brought by  
18 MILBERG WEISS, BERSHAD, SCHULMAN, and others.

19 **III. CLASS ACTIONS AND SHAREHOLDER DERIVATIVE ACTIONS**

20 **A. Overview**

21 10. The term "class action" refers to a certain type of  
22 civil lawsuit in which a court authorizes a named plaintiff to  
23 represent and litigate claims on behalf of unnamed class members  
24 who are not actually before the court (referred to as "absent  
25 class members").

26 11. Class actions often are brought to address allegations  
27 of fraud; breaches of certain legal duties of fidelity, trust,  
28 and loyalty (known as "fiduciary duties"); and other financial



1  
2 wrongdoing affecting publicly traded companies. In some such  
3 cases, referred to as "securities fraud class actions," a named  
4 plaintiff alleges that his or her investment in such a company  
5 was harmed by wrongdoing committed by company executives and  
6 others, and seeks to obtain money and other relief on behalf of a  
7 class of investors in that company who are alleged to have been  
8 similarly harmed.

9 12. Class actions also often are brought to address  
10 allegations that a consumer product or service was defective,  
11 deceptively represented, or illegally priced. In such cases  
12 (referred to as "consumer class actions"), a named plaintiff  
13 alleges that he or she was injured or defrauded by the  
14 manufacturers or sellers of the product or service, and seeks to  
15 obtain money and other relief on behalf of a class of consumers  
16 who are alleged to have been similarly harmed.

17 13. A judgment in a class action (whether the result of a  
18 trial or a settlement) typically binds absent class members who  
19 do not expressly notify the court that they wish to "opt out" of  
20 the litigation.

21 14. The term "shareholder derivative action" refers to a  
22 certain type of civil lawsuit in which a named plaintiff, who is  
23 a shareholder in a corporation, is authorized by a court to  
24 represent the interests of other shareholders of the corporation,  
25 as well as the corporation itself, in seeking the adjudication of  
26 rights and obligations of the corporation. As in a class action,  
27 a judgment in a shareholder derivative action typically binds  
28 unnamed shareholders who are not before the court.

/ / /

1  
2 15. When a controlling shareholder in a corporation  
3 attempts to acquire the publicly held shares in that corporation,  
4 a certain type of class action and/or shareholder derivative  
5 action, referred to as a "transaction case," may be brought. In  
6 such a case, a named plaintiff, who owns a minority of the shares  
7 in the corporation, alleges on behalf of a class of shareholders  
8 that the price per share offered by the controlling shareholder  
9 to acquire the remaining shares is too low, and does not  
10 represent the fair value of the publicly held shares.

11 16. Class actions and shareholder derivative actions are  
12 begun by the filing of a complaint in federal or state court, in  
13 which a named plaintiff alleges, among other things, the nature  
14 of the claims against the defendants in the action, the reasons  
15 why the action should be maintained as a class action or  
16 shareholder derivative action, and the reasons why the court  
17 should authorize the named plaintiff and his or her attorneys to  
18 represent the interests of absent class members or shareholders  
19 in the action.

20 17. Before a judgment in a class action or shareholder  
21 derivative action may bind absent class members or shareholders,  
22 a named plaintiff and the attorneys who seek to represent absent  
23 class members or shareholders have to demonstrate to the court's  
24 satisfaction, among other things, that: (a) the named plaintiff's  
25 claims are "typical" of the claims of the absent class members or  
26 shareholders; (b) the named plaintiff has no interest in the  
27 outcome of the action that is antagonistic to, or in conflict  
28 with, the interests of the absent class members or shareholders;  
(c) the named plaintiff is not subject to unique defenses that

1  
2 could become the focus of the litigation to the detriment of the  
3 absent class members or shareholders; and (d) the named  
4 plaintiff's attorneys will be able to fairly and adequately  
5 represent the interests of the absent class members or  
6 shareholders.

7 18. The court's determination that a lawsuit may proceed  
8 as a class action or shareholder derivative action is referred to  
9 as the "certification" of the action.

10 **B. Benefits of Securing "Lead Counsel" Status**

11 19. In many class actions and shareholder derivative  
12 actions, more than one named plaintiff and more than one lawyer  
13 or law firm seek to represent, and are approved by the court to  
14 represent, the interests of absent class members or shareholders.  
15 In such cases, the lawyers and law firms often compete to be  
16 appointed by the court as "lead counsel" or "co-lead counsel" for  
17 the absent class members or shareholders. A lawyer or law firm  
18 that is appointed as lead or co-lead counsel typically has power  
19 and responsibility, among other things, to: (a) coordinate the  
20 overall litigation strategy; (b) assign the work to be done on  
21 the case among lawyers and law firms who have been approved to  
22 represent the class members or shareholders; and (c) in some  
23 cases, determine the division of attorneys' fees awarded by the  
24 court among the lawyers and law firms who have worked on the  
25 case.

26 **C. Fiduciary Duties of Named Plaintiffs and**  
27 **Their Attorneys**

28 20. Because the conduct and decisions of a named plaintiff  
in a class action or shareholder derivative action affect the  
interests and rights of class members or shareholders who are not

1 before the court, the named plaintiff owes these absent class  
2 members or shareholders certain fiduciary duties. As a result of  
3 these legally imposed duties, a named plaintiff, among other  
4 things: (a) may not place his or her own interests above those of  
5 absent class members or shareholders; (b) may not act in a  
6 deceitful or unethical manner toward the court or the absent  
7 class members or shareholders; and (c) is required to disclose to  
8 the court any fact that reasonably could affect his or her  
9 ability to fairly or adequately represent the interests of the  
10 absent class members or shareholders.

11 21. The named plaintiff's attorneys in a class action or  
12 shareholder derivative action also owe the absent class members  
13 or shareholders fiduciary duties. As a result of these legally  
14 imposed duties, the named plaintiff's attorneys, among other  
15 things: (a) may not give preferential treatment to the interests  
16 of the named plaintiff over the interests of the absent class  
17 members or shareholders; (b) may not act in a deceitful or  
18 unethical manner toward the court or the absent class members or  
19 shareholders; and (c) are required to disclose to the court any  
20 fact that reasonably could affect the attorneys' ability to  
21 fairly or adequately represent the interests of the absent class  
22 members or shareholders.

23 **D. Court Approval of Settlements and Awards of**  
24 **Attorneys' Fees**

25 22. Courts presiding over class actions or shareholder  
26 derivative actions are obligated to protect the rights and  
27 interests of the absent class members or shareholders. As a  
28 result, a court is required to scrutinize any proposed settlement  
of a class action or shareholder derivative action, and may

1  
2 approve such a settlement only if the court first determines that  
3 the settlement is fair to absent class members or shareholders.

4 23. The named plaintiff's attorneys in class actions often  
5 seek to obtain their attorneys' fees from the recovery obtained  
6 for the class in the lawsuit; in shareholder derivative actions  
7 they often seek to obtain their attorneys' fees from the  
8 corporation. The attorneys' fees in such instances are paid,  
9 directly or indirectly, from proceeds that otherwise would be  
10 available to the absent class members or shareholders. Courts  
11 presiding over class actions or shareholder derivative actions  
12 are obligated, on behalf of the absent class members or  
13 shareholders, to scrutinize any request for attorneys' fees to  
14 ensure its fairness and reasonableness. Consistent with their  
15 fiduciary duties, the named plaintiff's attorneys are required,  
16 as part of any request for attorneys' fees, to disclose to the  
17 court all facts that reasonably could bear on their entitlement  
18 to the requested fees.

19 **E. Limitations on Compensation of Named Plaintiffs**

20 24. The compensation that may be paid to a named plaintiff  
21 in a class action or shareholder derivative action is limited to  
22 the following: (a) the named plaintiff's pro rata share of the  
23 recovery obtained in the lawsuit, calculated on the same basis as  
24 the pro rata shares available to all of the absent class members  
25 or shareholders; and (b) his or her reasonable costs and expenses  
26 incurred in connection with the lawsuit, as approved by the  
27 court. Additionally, in some circumstances, the court presiding  
28 over such a lawsuit may award a modest bonus payment to the named  
plaintiff, in recognition of his or her effort in obtaining a

1 beneficial result for the absent class members or shareholders.

2 Such a bonus payment may be awarded only if it is first disclosed  
3 to absent class members or shareholders, and only after the  
4 absent class members or shareholders have an opportunity to  
5 object to the bonus award.

6 25. Because a named plaintiff acts as a fiduciary toward  
7 absent class members or shareholders and is required to remain  
8 free of any conflict of interest toward them, the named plaintiff  
9 may not have any financial interest in the outcome of a class  
10 action or shareholder derivative action lawsuit other than those  
11 described above.

12 **IV. DEFENDANTS' SECRET AND ILLEGAL KICKBACK SCHEME IN CLASS**  
13 **ACTIONS AND SHAREHOLDER DERIVATIVE ACTIONS**

14 26. During the time relevant to this Indictment,  
15 MILBERG WEISS brought numerous class actions and shareholder  
16 derivative actions against publicly traded companies and other  
17 major businesses. These lawsuits generated hundreds of millions  
18 of dollars in attorneys' fees for MILBERG WEISS. To bring these  
19 lawsuits, MILBERG WEISS needed persons who would agree to serve  
20 as named plaintiffs, and whom the courts would likely approve to  
21 represent absent class members or shareholders.

22 27. Beginning at least as early as in or about 1981 and  
23 continuing through at least 2005, in order to facilitate the  
24 recruitment of named plaintiffs, MILBERG WEISS, BERSHAD,  
25 SCHULMAN, and others known and unknown to the Grand Jury agreed  
26 to and did secretly pay kickbacks to named plaintiffs in class  
27 actions and shareholder derivative actions in which MILBERG WEISS  
28 served as counsel. Specifically, MILBERG WEISS, BERSHAD,  
SCHULMAN, and others known and unknown to the Grand Jury agreed

1  
2 to and did pay to certain individuals a substantial portion of  
3 the attorneys' fees MILBERG WEISS obtained in actions in which  
4 such an individual served, or caused a relative or associate to  
5 serve, as a named plaintiff for MILBERG WEISS.

6 28. Included among the individuals who served as a named  
7 plaintiff for MILBERG WEISS pursuant to the kickback scheme  
8 described above are LAZAR; Vogel; and Cooperman and two of his  
9 associates, Cooperman Plaintiff 1 and Cooperman Plaintiff 2.  
10 These individuals are each referred to as a "Paid Plaintiff," and  
11 collectively as the "Paid Plaintiffs." The class actions and  
12 shareholder derivative actions in which the Paid Plaintiffs  
13 served, or caused their spouse or an associated entity to serve,  
14 as a named plaintiff for MILBERG WEISS pursuant to the kickback  
15 scheme described above are referred to respectively as the  
16 "Lazar Lawsuits," "Vogel Lawsuits," and "Cooperman Lawsuits," and  
17 collectively as the "Lawsuits."

18 29. During the times relevant to this Indictment,  
19 MILBERG WEISS's kickback arrangements with and kickback payments  
20 to the Paid Plaintiffs were illegal and improper for the  
21 following reasons, among others: (a) under applicable New York  
22 law, it is a criminal offense for an attorney to promise or give  
23 anything of value to induce a person to bring a lawsuit, or to  
24 reward a person for having done so; (b) under applicable New York  
25 law, it is a criminal offense to pay a fiduciary, without the  
26 consent of those to whom he or she owes fiduciary duties, with  
27 the intent to influence his or her conduct as a fiduciary;  
28 and (c) under applicable New York and California laws, lawyers  
may not share attorneys' fees with persons who are not duly



1  
2 licensed to practice law. Additionally, the kickback  
3 arrangements created a conflict of interest between the  
4 Paid Plaintiffs and those to whom they owed fiduciary duties  
5 because, as a result of the kickback arrangements, the  
6 Paid Plaintiffs had a greater interest in maximizing the amount  
7 of attorneys' fees awarded to MILBERG WEISS than in maximizing  
8 the net recovery to the absent class members and shareholders.

9 30. To conceal their illegal kickback arrangements from the  
10 courts presiding over the Lawsuits, the other parties to the  
11 Lawsuits, and the absent class members and shareholders whose  
12 interests they purported to represent in the Lawsuits,  
13 MILBERG WEISS, BERSHAD, SCHULMAN, the Paid Plaintiffs, and others  
14 known and unknown to the Grand Jury engaged and caused others to  
15 engage in various fraudulent and deceptive acts, practices, and  
16 devices. Among other things, MILBERG WEISS, BERSHAD, SCHULMAN,  
17 the Paid Plaintiffs, and others known and unknown to the  
18 Grand Jury made and caused others to make false and misleading  
19 statements, and omitted and caused others to omit material facts,  
20 in complaints, motions, certifications, declarations, and other  
21 documents filed in the Lawsuits, and in depositions and other  
22 discovery of the Paid Plaintiffs taken in the Lawsuits.  
23 Additionally, MILBERG WEISS, BERSHAD, SCHULMAN, and others known  
24 and unknown to the Grand Jury concealed and disguised the illegal  
25 kickbacks by, among other things, paying the kickbacks in cash  
26 and through intermediary law firms and lawyers selected by the  
27 Paid Plaintiffs (hereinafter the "Intermediary Lawyers"), who  
28 then used and disbursed the payments at the direction, and for  
the benefit, of the Paid Plaintiffs.



1  
2 31. The Intermediary Lawyers included: (a) SELZER, the  
3 Palm Springs Law Firm, the Selzer Law Firm, other attorneys and  
4 their associated law firms in Los Angeles, California ("Lazar  
5 Intermediary A"), Portland, Oregon ("Lazar Intermediary B"),  
6 Santa Ana, California ("Lazar Intermediary C"), and Kansas City,  
7 Kansas ("Lazar Intermediary D"), and a Los Angeles entertainment  
8 lawyer ("Lazar Intermediary E"), all of whom acted as  
9 intermediary lawyers for LAZAR; (b) attorneys in Denver, Colorado  
10 and New York, New York, and their associated law firms ("Vogel  
11 Intermediary A" and "Vogel Intermediary B," respectively), who  
12 acted as intermediary lawyers for Vogel; and (c) attorneys in  
13 Los Angeles and Santa Monica, California and their associated law  
14 firms ("Cooperman Intermediary A" and "Cooperman Intermediary B,"  
15 respectively), who acted as intermediary lawyers for Cooperman.

16 32. The concealment of the secret and illegal kickback  
17 arrangements and payments from the courts presiding over the  
18 Lawsuits influenced, obstructed, and impeded the ability of such  
19 courts to assess and determine: (a) the appropriateness of  
20 approving the Lawsuits to proceed as class actions or shareholder  
21 derivative actions; (b) the ability of the Paid Plaintiffs and  
22 their spouses and associated entities to fairly and adequately  
23 represent the interests of the absent class members or  
24 shareholders; (c) the ability of MILBERG WEISS, BERSHAD,  
25 SCHULMAN, and other MILBERG WEISS lawyers to fairly and  
26 adequately represent the interests of the absent class members or  
27 shareholders; (d) the fairness of settlements proposed by  
28 MILBERG WEISS, BERSHAD, SCHULMAN, and the Paid Plaintiffs in the  
Lawsuits; and (e) whether and the extent to which MILBERG WEISS

1 should be awarded the attorneys' fees it sought in the Lawsuits.

2 33. By defendants MILBERG WEISS, BERSHAD, SCHULMAN, and  
3 others known and unknown to the Grand Jury offering, promising to  
4 pay, and paying the Paid Plaintiffs secret and illegal kickbacks,  
5 and by the Paid Plaintiffs directing and accepting such payments,  
6 the absent class members and shareholders in each of the Lawsuits  
7 were deprived of:

8 (a) the honest services of MILBERG WEISS, BERSHAD,  
9 SCHULMAN, LAZAR, the other Paid Plaintiffs, and others known and  
10 unknown to the Grand Jury, including: (i) the services of a named  
11 plaintiff who was free from any conflict of interest that might  
12 impair his or her ability to fairly and adequately represent  
13 their interests; (ii) the services of attorneys who were able to  
14 fairly and adequately represent their interests without  
15 preference to the interests of a named plaintiff; and (iii) the  
16 services of a named plaintiff and attorneys who would not act in  
17 a deceitful, unethical, or unlawful manner toward them or the  
18 court;

19 (b) material economic information that affected their  
20 right and ability to influence and control class actions and  
21 shareholder derivative actions brought on their behalf; and

22 (c) the amount of any kickback that MILBERG WEISS paid  
23 using attorneys' fees obtained in the Lawsuit.

24 **V. SUMMARY OF KICKBACK PAYMENTS**

25 **A. Kickback Payments to Lazar**

26 34. Beginning in or about 1981 and continuing through at  
27 least in or about 2004, LAZAR served, and caused his relatives  
28 and an affiliated entity to serve, as named plaintiffs in

approximately seventy lawsuits. In total, MILBERG WEISS, BERSHAD, and others known and unknown to the Grand Jury made and caused to be made approximately \$ 2.4 million in secret and illegal kickback payments for the benefit of LAZAR. Among such kickback payments were the following, which MILBERG WEISS associated with the lawsuits identified below and other procedurally related lawsuits:

Common Case Name, Case Number, and Court	Named Plaintiff(s)	Date of Kickback	Approximate Kickback
<u>Arcata</u> , Civ. No. 257916 (San Mateo County, California, Superior Court)	LAZAR	04/19/84	\$ 8,000
		04/19/84	\$ 32,000
		08/29/84	\$ 54,000
<u>Standard Oil/British Petroleum</u> , No. 127045 (Cuyahoga County, Ohio Court of Common Pleas)	LAZAR	06/29/87	\$ 50,000
		08/17/89	\$ 50,000
<u>Genentech I</u> , C-88-4038 (United States District Court, Northern District of California)	LAZAR	01/23/91	\$ 150,000
		04/28/92	\$ 150,000 (one payment associated with four cases)
<u>Ashland Oil</u> , 86-2465 (United States District Court, Central District of California)	LAZAR's wife	04/28/92	\$ 150,000 (one payment associated with four cases)
<u>Jardine/Bear Stearns</u> , No. 87-26513 (Supreme Court of New York County, New York)	LAZAR	04/28/92	\$ 150,000 (one payment associated with four cases)
<u>PG&amp;E</u> , No. 893849 (San Francisco County, California, Superior Court)	LAZAR's mother-in- law	04/28/92	\$ 150,000 (one payment associated with four cases)
<u>Beverly Hills Savings</u> , No. CV 85-2702 (United States District Court, Central District of California)	LAZAR	12/17/92	\$ 90,079

Common Case Name, Case Number, and Court	Named Plaintiff(s)	Date of Kickback	Approximate Kickback
<u>New Image</u> , No. CV 90-6345 (United States District Court, Central District of California)	LAZAR	07/09/93	\$ 51,881
<u>Zenith National</u> , BC 015017 (Los Angeles County, California, Superior Court)	LAZAR's wife	12/16/93	\$ 89,000
		12/29/93	\$ 201,329
		07/17/95	\$ 65,000
		07/17/95	\$ 35,000
<u>United Airlines</u> , No. 13312 (New Castle County, Delaware Chancery Court)	LAZAR's son	03/10/95	\$ 250,000
<u>Lockheed</u> , CA 001171 (Los Angeles County, California, Superior Court)	LAZAR	09/28/95	\$ 60,000
<u>ZZZZ Best</u> , No. CV 87-6151 (United States District Court, Central District of California)	LAZAR; LAZAR's wife	12/14/95	\$ 50,000
		05/20/96	\$ 60,000 (one payment associated with two cases)
<u>Community Psychiatric</u> , No. 91-5258 (United States District Court, Central District of California)	Cooperman	03/07/96	\$ 25,000
<u>Genentech III</u> , No. 14268 (New Castle County, Delaware, Chancery Court)	LAZAR	05/20/96	\$ 60,000 (one payment associated with two cases)
		12/17/96	\$ 60,000 (one payment associated with two cases)
<u>Copley Pharmaceutical</u> , No. 95-10113 (United States District Court, District of Massachusetts)	LAZAR	12/17/96	\$ 60,000 (one payment associated with two cases)

Common Case Name, Case Number, and Court	Named Plaintiff(s)	Date of Kickback	Approximate Kickback
Concord Holdings, Civ 94-20579 (United States District Court, Northern District of California)	LAZAR	05/06/97	\$ 46,175
Denny's, No. 736748-7 (Alameda County, California, Superior Court)	LAZAR's son	11/14/97	\$ 80,000
		08/12/98	\$ 50,000
		12/18/98	\$ 50,000
		06/25/99	\$ 50,000 (one payment associated with two cases)
		12/08/99	\$ 75,000 (one payment associated with two cases)
W.R. Grace, Civ. 95-8633 (United States District Court, Southern District of Florida)	LAZAR	05/26/00	\$ 125,000 (one payment associated with two cases)
		05/14/98	\$ 75,000
		06/25/99	\$ 50,000 (one payment associated with two cases)
		12/08/99	\$ 75,000 (one payment associated with two cases)
Schein Pharmaceutical, Civ. 98-4311 (United States District Court, District of New Jersey)	LAZAR's daughter	05/26/00	\$ 125,000 (one payment associated with two cases)
		12/28/00	\$ 50,000
		07/09/01	\$ 133,000

**B. Kickback Payments to Vogel**

35. Beginning in or about 1991 and continuing through at least in or about 2005, Vogel served, and caused his relatives

and associated entities to serve, as named plaintiffs in approximately forty lawsuits. In total, MILBERG WEISS, BERSHAD, SCHULMAN, Partner E, and others known and unknown to the Grand Jury made and caused to be made approximately \$ 2.5 million in secret and illegal kickback payments for the benefit of Vogel. Among such kickback payments were the following, made in connection with the lawsuits identified below and other procedurally related lawsuits:

Common Case Name, Case Number, and Court	Named Plaintiff(s)	Date of Kickback	Approximate Kickback
<u>Valero Energy</u> , No. 1991 CI 12179 (Bexar, Texas District Court) (" <u>Valero I</u> ")	Vogel and Vogel's wife	12/28/92	\$ 637,223
<u>Valero Natural Gas Partners</u> , No. 13194 (New Castle County, Delaware Chancery Court) (" <u>Valero II</u> ")	Vogel	07/18/94	\$ 69,861
<u>Guaranty National</u> , No. 0602632/1996 (New York County, New York Supreme Court)	Vogel's wife	08/08/97	\$ 44,115
<u>Guaranty National</u> , No. 97-CV-5754 (United States District Court, District of Colorado)	Vogel's wife	04/27/99	\$ 47,160
<u>Santa Fe Pacific Pipeline Partners</u> , No. 785816 (Orange County, California Superior Court)	Vogel's wife	04/27/99	\$ 10,920
<u>Vastar Resources</u> , No. 17890 (New Castle County, Delaware Chancery Court)	Vogel's wife	12/05/00	\$ 94,000
<u>Travelers Property Casualty</u> , No. 17902 (New Castle County, Delaware Chancery Court)	Vogel	05/17/01	\$ 140,345



Common Case Name, Case Number, and Court	Named Plaintiff(s)	Date of Kickback	Approximate Kickback
<u>Life Technologies</u> , No. 16519 (New Castle County, Delaware Chancery Court)	Vogel's wife	09/05/02	\$ 1,044
<u>Infinity Broadcasting</u> , No. 18219 (New Castle County, Delaware Chancery Court)	Vogel's wife	03/17/03	\$ 86,923
<u>Intimate Brands</u> , No. 19382 (New Castle County, Delaware Chancery Court)	Vogel's wife	03/17/03	\$ 47,746
<u>Future Healthcare</u> , No. 95- CV-182 (United States District Court, Southern District of Ohio)	Vogel	03/21/03	\$ 68,994
<u>Baan Company</u> , No. 98-CV- 2532 (United States District Court, District of Columbia)	Vogel's stepson	12/18/03	\$ 120,000
<u>Oxford Health Plans</u> , No. 97-CV-2325 (United States District Court, District of Connecticut)	Howard Vogel Retirement Plan	12/18/03	\$1,100,000
<u>US Oncology</u> , No. 324-N (New Castle County, Delaware Chancery Court)	Vogel	01/06/05	\$ 11,474
		02/16/05	\$ 2,295
<u>Barnesandnoble.com</u> , No. 042-N (New Castle County, Delaware Chancery Court)	Vogel's wife	05/19/05	\$ 10,801

36. In addition to the foregoing kickback payments,  
MILBERG WEISS, BERSHAD, Partner E, and others known and unknown  
to the Grand Jury paid and caused to be paid to Vogel a  
substantial amount of cash for causing his wife to serve as a  
named plaintiff in the Vogel Lawsuit Vogel, et al. v. Mercer  
Int'l Inc., et al., CV 94-4229 (United States District Court,  
Central District of California) ("Mercer").  
/ / /

**C. Kickback Payments to Cooperman**

37. Beginning in or about 1988 and continuing through at least in or about 1998, Cooperman served, and caused his relatives and associates to serve, as named plaintiffs in approximately seventy lawsuits. In total, MILBERG WEISS, BERSHAD, and others known and unknown to the Grand Jury made and caused to be made approximately \$ 6.5 million in secret and illegal kickback payments for the benefit of Cooperman, Cooperman Plaintiff 1, and Cooperman Plaintiff 2. Among such kickback payments were the following, which MILBERG WEISS associated with the lawsuits identified below and other procedurally related lawsuits:

Common Case Name, Case Number, and Court	Named Plaintiff(s)	Date of Kickback	Approximate Kickback
Cetus, No. C-90-2042 (United States District Court, Northern District of California)	Cooperman	11/20/91	\$ 178,507
Cineplex Odeon, No. CV 89- 2579 (United States District Court, Central District of California)	Cooperman	01/08/92	\$ 21,376
Jan Bell Marketing, No. CV 90-6183 (United States District Court, Southern District of Florida)	Cooperman	07/21/92	\$ 19,363
American Continental/ Lincoln Savings, No. CV 89- 2448 (United States District Court, Central District of California)	Cooperman Plaintiff 1	10/21/92	\$ 440,000
		07/19/93	\$ 250,000
		11/09/94	\$ 160,000
		12/21/95	\$ 163,000



Common Case Name, Case Number, and Court	Named Plaintiff(s)	Date of Kickback	Approximate Kickback
<u>Software Toolworks</u> , No. C-90-2920 (United States District Court, Northern District of California)	Cooperman	12/16/92	\$ 317,885
		01/15/93	\$ 30,605
		01/28/97	\$ 73,560
		01/28/97	\$ 73,560
		02/25/99	\$ 128,452
<u>LA Gear</u> , No. CV 90-2832 (United States District Court, Central District of California)	Cooperman	01/29/93	\$ 50,000
		05/18/93	\$ 160,000
		07/19/93	\$ 7,476
<u>Prime Motor Inns</u> , No. 90-99 (United States District Court, District of New Jersey)	Cooperman	03/12/93	\$ 200,286
<u>Sun Microsystems</u> , No. C-93-20292 (United States District Court, Northern District of California)	Cooperman	08/16/93	\$ 99,887
<u>One Bancorp</u> , Civil No. 89-0315 (United States District Court, District of Maine)	Cooperman	08/16/93	\$ 39,332
<u>Epitope</u> , Civ. No. 92-780 (United States District Court, District of Oregon)	Cooperman	08/16/93	\$ 3,849
<u>Fairfield Communities</u> , No. C-90-464 (United States District Court, Eastern District of Arkansas)	Cooperman	08/16/93	\$ 24,996
<u>Shawmut</u> , No. H-90-253 (United States District Court, District of Connecticut)	Cooperman	08/16/93	\$ 13,436
<u>Valley National</u> , No. Civ. 89-1733 (United States District Court, District of Arizona)	Cooperman	03/01/94	\$ 17,458

Common Case Name, Case Number, and Court	Named Plaintiff(s)	Date of Kickback	Approximate Kickback
<u>First Executive</u> , No. 89-7135 (United States District Court, Central District of California)	Cooperman	03/11/94	\$ 763,997
		05/27/94	\$ 211,000
		05/27/94	\$ 100,000
		02/15/95	\$ 100,000
		12/21/95	\$ 200,000
		12/21/95	\$ 140,000
		04/04/96	\$ 150,000
<u>Columbia Savings &amp; Loan</u> , No. CV 89-6538 (United States District Court, Central District of California)	Cooperman	03/31/94	\$ 200,000
		04/29/94	\$ 112,495
		07/27/94	\$ 200,000
		08/04/94	\$ 250,000
		09/22/94	\$ 191,278
		03/30/95	\$ 79,000
		03/30/95	\$ 79,000
<u>U.S. Bioscience</u> , No. CV 92-0743 (United States District Court, Eastern District of Pennsylvania)	associate of Cooperman	09/22/94	\$ 2,700
<u>Abbott Laboratories</u> , Civ. No. 632601 (San Diego County, California, Superior Court) (aka " <u>Infant Formula</u> ")	Cooperman	07/05/95	\$ 25,868
<u>T2 Medical</u> , No. CV 94-1584 (United States District Court, Northern District of Georgia)	one of Cooperman's brothers-in-law ("Cooperman Brother-in-Law A")	07/05/95	\$ 6,433
<u>Fidelity Medical</u> , No. 92-1913 (United States District Court, District of New Jersey)	Cooperman's wife	07/07/95	\$ 22,207

Common Case Name, Case Number, and Court	Named Plaintiff(s)	Date of Kickback	Approximate Kickback
SCI-TV, No. BC100359 (Los Angeles County, California, Superior Court)	Cooperman	11/01/95	\$ 100,000
		11/16/95	\$ 81,846
		11/16/95	\$ 100,000
		12/01/95	\$ 40,000
		12/01/95	\$ 40,000
Community Psychiatric, No. 91-5258 (United States District Court, Central District of California)	Cooperman	03/07/96	\$ 180,140
		11/11/96	\$ 114,892
		02/25/99	\$ 145,305
Heart Technology, No. 14513 (New Castle County, Delaware, Chancery Court)	Cooperman Plaintiff 2	05/06/97	\$ 19,859

38. In addition to the foregoing kickback payments, during the period from in or about March 1989 through February 1990, MILBERG WEISS, BERSHAD, and others known and unknown to the Grand Jury paid and caused to be paid approximately \$245,000 to one of Cooperman's brothers-in-law ("Cooperman Brother-in-Law B"), of which \$203,000 was forwarded to an account controlled by Cooperman.

39. During the period from 1984 through 2005, MILBERG WEISS obtained more than approximately \$ 216.1 million in attorneys' fees in the Lawsuits and litigation resolving the Lawsuits, and, together with BERSHAD, SCHULMAN, and others known and unknown to the Grand Jury, paid and caused to be paid more than approximately \$ 11.3 million in secret and illegal kickbacks to the Paid Plaintiffs.

COUNT ONE

[Defendants MILBERG WEISS, BERSHAD, SCHULMAN, and LAZAR]

[18 U.S.C. § 371]

[Conspiracy]

40. The Grand Jury hereby repeats and realleges paragraphs 1 through 39 of this Indictment.

**I. THE OBJECTS OF THE CONSPIRACY**

41. Beginning on a date unknown but at least as early as in or about 1981, and continuing through at least in or about 2005, within the Central District of California and elsewhere, defendants MILBERG WEISS, DAVID J. BERSHAD, STEVEN G. SCHULMAN, and SEYMOUR M. LAZAR, together with Partner A, Partner B, the other Paid Plaintiffs, and other persons known and unknown to the Grand Jury, knowingly combined, conspired, and agreed to commit the following offenses against the United States:

a. to commit obstruction of justice by corruptly influencing, obstructing, and impeding, and endeavoring to influence, obstruct, and impede, the due administration of justice in the Lawsuits filed and litigated in federal courts, in violation of Title 18, United States Code, Section 1503;

b. to make false material declarations under oath in proceedings before and ancillary to courts of the United States, in connection with the Lawsuits filed and litigated in federal courts, in violation of Title 18, United States Code, Section 1623(a);

c. to travel in interstate commerce and to use the mail and other facilities in interstate commerce with intent to distribute the proceeds of unlawful activity and otherwise to

1 facilitate the promotion, management, and carrying on of such  
2 unlawful activity, namely, commercial bribery of the  
3 Paid Plaintiffs, in violation of New York Penal Law  
4 Section 180.00, and thereafter to perform and attempt to perform  
5 acts to distribute the proceeds of such unlawful activity and to  
6 facilitate the promotion, management, and carrying on of such  
7 activity, in violation of Title 18, United States Code,  
8 Section 1952(a)(1), (3).

9 d. to commit mail fraud by using the United States  
10 mails and commercial interstate carriers to execute a scheme to  
11 defraud absent class members and shareholders in the Lawsuits as  
12 to a material matter, by depriving them of money and property and  
13 the honest services of MILBERG WEISS, BERSHAD, SCHULMAN, LAZAR,  
14 the other Paid Plaintiffs, and others, and to obtain money and  
15 property by means of material false and fraudulent pretenses,  
16 representations, and promises, in violation of Title 18, United  
17 States Code, Sections 1341 and 1346;

18 e. to commit wire fraud by using interstate wire and  
19 radio communications to execute a scheme to defraud absent class  
20 members and shareholders in the Lawsuits as to a material matter,  
21 by depriving them of money and property and the honest services  
22 of MILBERG WEISS, BERSHAD, SCHULMAN, LAZAR, the other  
23 Paid Plaintiffs, and others, and to obtain money and property by  
24 means of material false and fraudulent pretenses,  
25 representations, and promises, in violation of Title 18, United  
26 States Code, Sections 1343 and 1346; and

27 f. to make illegal payments to a witness by giving,  
28 offering, and promising money to the Paid Plaintiffs, for and

1  
2 because of the testimony under oath or affirmation given and to  
3 be given by the Paid Plaintiffs as a witness upon a trial,  
4 hearing, or other proceeding before a court authorized by the  
5 laws of the United States to hear evidence or take testimony in  
6 the Lawsuits, filed or litigated in federal courts, in violation  
7 of Title 18, United States Code, Section 201(c)(2).

8 **II. MANNER AND MEANS OF THE CONSPIRACY**

9 42. The objects of the conspiracy were carried out in the  
10 manner and by the means described below, among others.

11 43. MILBERG WEISS, BERSHAD, SCHULMAN, and others known and  
12 unknown to the Grand Jury arranged for the Paid Plaintiffs to  
13 serve, and to cause relatives and associates to serve, as named  
14 plaintiffs in class actions and shareholder derivative actions in  
15 which MILBERG WEISS served as counsel.

16 44. As an inducement to the Paid Plaintiffs to serve, and  
17 to induce them to cause relatives and associates to serve, as  
18 named plaintiffs, MILBERG WEISS, BERSHAD, SCHULMAN, and others  
19 known and unknown to the Grand Jury offered, promised, and agreed  
20 secretly to pay the Paid Plaintiffs kickbacks consisting of a  
21 portion of the attorneys' fees that MILBERG WEISS expected to  
22 obtain in each action in which the respective Paid Plaintiff  
23 served, or caused a relative or associate to serve, as a named  
24 plaintiff.

25 45. In the course of the Lawsuits, MILBERG WEISS, BERSHAD,  
26 SCHULMAN, LAZAR, the other Paid Plaintiffs, and others known and  
27 unknown to the Grand Jury engaged in, and caused each other to  
28 engage in, various fraudulent and deceptive acts, practices, and  
devices, including the following:



1

a. MILBERG WEISS, BERSHAD, SCHULMAN, LAZAR, the other Paid Plaintiffs, and others known and unknown to the Grand Jury, concealed their illegal kickback arrangements from the courts presiding over, the other parties to, and the absent class members and shareholders in the Lawsuits;

6

b. MILBERG WEISS, BERSHAD, SCHULMAN, LAZAR, the other Paid Plaintiffs, and others known and unknown to the Grand Jury made and caused to be made false and misleading representations in: (i) complaints to initiate and maintain the Lawsuits;

10

(ii) motions seeking court approval for the Lawsuits to proceed as class actions or shareholder derivative actions; and

12

(iii) motions seeking court approval of MILBERG WEISS and the

13

Paid Plaintiffs or their spouses or associated entities to

14

represent absent class members or shareholders in the Lawsuits.

15

Specifically, they caused to be represented in these pleadings

16

that the Paid Plaintiffs or their spouses or associated entities

17

had no interest in conflict with, or antagonistic to, absent

18

class members or shareholders in the Lawsuits, and that

19

MILBERG WEISS and the Paid Plaintiffs or their spouses or

20

associated entities would fairly and adequately represent their

21

interests. In truth and in fact, as MILBERG WEISS, BERSHAD,

22

SCHULMAN, LAZAR, and the other Paid Plaintiffs well knew, the

23

interests of the Paid Plaintiffs or their spouses or associated

24

entities conflicted with those of absent class members or

25

shareholders because, as a result of their secret and illegal

26

kickback arrangements, they had a greater interest in maximizing

27

the amount of attorneys' fees awarded to MILBERG WEISS than in

28

maximizing the net recovery to the absent class members or

1  
2 shareholders. Additionally, as a result of the secret and  
3 illegal kickback arrangements, MILBERG WEISS improperly favored  
4 the financial interests of the Paid Plaintiffs or their spouses  
5 or associated entities over the interests of the absent class  
6 members or shareholders.

7 c. In under-oath testimony given in connection with  
8 the Lawsuits and in written certifications, declarations, and  
9 other documents signed under penalty of perjury in the Lawsuits,  
10 LAZAR and the other Paid Plaintiffs, acting in concert with  
11 MILBERG WEISS, BERSHAD, SCHULMAN, and others, falsely denied that  
12 they had ever received, or expected to receive, any payment for  
13 serving as a named plaintiff other than their pro rata share of  
14 the recovery based on the same terms as the pro rata shares  
15 available to all of the absent class members or shareholders. In  
16 truth and in fact, as MILBERG WEISS, BERSHAD, SCHULMAN, LAZAR,  
17 and the other Paid Plaintiffs well knew, in return for serving as  
18 named plaintiffs the Paid Plaintiffs had received and expected to  
19 receive from MILBERG WEISS, BERSHAD, SCHULMAN, and others  
20 kickback payments that substantially exceeded any pro rata share  
21 of the recovery they received, or could expect to receive, based  
22 on the terms used to determine the pro rata shares available to  
23 all of the absent class members or shareholders in the Lawsuits.

24 d. MILBERG WEISS, BERSHAD, SCHULMAN, LAZAR, the other  
25 Paid Plaintiffs, and others known and unknown to the Grand Jury  
26 caused the Lawsuits to be settled in a manner that often would  
27 generate substantial attorneys' fees for MILBERG WEISS, while  
28 concealing from the courts approving these settlements, and from  
the absent class members or shareholders on whose behalf the



1 settlements were being negotiated, their secret and illegal  
2 kickback arrangements.

3 e. MILBERG WEISS, BERSHAD, SCHULMAN, LAZAR, the other  
4 Paid Plaintiffs, and others known and unknown to the Grand Jury  
5 caused to be filed motions in the Lawsuits seeking the awards of  
6 attorneys' fees to MILBERG WEISS, in which they concealed from  
7 the courts awarding attorneys' fees, and the absent class members  
8 or shareholders, their illegal kickback arrangements under which  
9 the awarded attorneys' fees secretly would be shared with the  
10 Paid Plaintiffs.

11 46. In the course of certain of the securities fraud class  
12 action Lawsuits, MILBERG WEISS, BERSHAD, SCHULMAN, Vogel,  
13 Cooperman Plaintiff 1, Cooperman Plaintiff 2, and others known  
14 and unknown to the Grand Jury engaged in, and caused each other  
15 to engage in, additional fraudulent and deceptive acts,  
16 practices, and devices, including the following:

17 a. MILBERG WEISS, BERSHAD, SCHULMAN, and others known  
18 and unknown to the Grand Jury falsely represented and caused to  
19 be falsely represented in complaints and other pleadings filed in  
20 such Lawsuits that the Paid Plaintiffs' claims were typical of  
21 the claims of the members of the class and that the  
22 Paid Plaintiffs relied on the allegedly false and misleading  
23 statements made by the defendants in the Lawsuits when purchasing  
24 the securities at issue in the Lawsuits. In truth and in fact,  
25 as MILBERG WEISS, BERSHAD, SCHULMAN, and others well knew, the  
26 Paid Plaintiffs' claims in such Lawsuits were not typical of the  
27 claims of the class members. Unlike the other class members in  
28 the Lawsuits, the Paid Plaintiffs purchased the securities at

1  
2 issue anticipating that the securities would decline in value, in  
3 order to position themselves to be named plaintiffs in securities  
4 fraud class actions and to obtain kickback payments from MILBERG  
WEISS, BERSHAD, SCHULMAN, and others.

5           b. In under-oath testimony given in connection with  
6 such Lawsuits and in written certifications, declarations, and  
7 other documents signed under penalty of perjury in such Lawsuits,  
8 Vogel, Cooperman Plaintiff 1, Cooperman Plaintiff 2, and other  
9 Paid Plaintiffs, acting in concert with MILBERG WEISS, BERSHAD,  
10 SCHULMAN, and others known and unknown to the Grand Jury, falsely  
11 denied that they purchased the securities at issue in the  
12 Lawsuits in order to be named plaintiffs. In truth and in fact,  
13 as MILBERG WEISS, BERSHAD, SCHULMAN, the Paid Plaintiffs in such  
14 Lawsuits, and others well knew, the Paid Plaintiffs purchased the  
15 securities at issue in order to position themselves to be named  
16 plaintiffs in securities fraud class actions and to obtain  
17 kickback payments from MILBERG WEISS, BERSHAD, SCHULMAN, and  
18 others.

19           47. After the court in a Lawsuit awarded attorneys' fees,  
20 or was expected to award attorneys' fees, MILBERG WEISS, BERSHAD,  
21 SCHULMAN, and others known and unknown to the Grand Jury arranged  
22 for the secret and illegal kickbacks to be paid to the Paid  
23 Plaintiffs. To conceal and disguise these kickback payments,  
24 among other things: (a) MILBERG WEISS, BERSHAD, and others known  
25 and unknown to the Grand Jury made and caused kickback payments  
26 to be made in cash given directly to the Paid Plaintiffs; and  
27 (b) MILBERG WEISS, BERSHAD, SCHULMAN, and others known and  
28 unknown to the Grand Jury made and caused kickback payments to be

1  
2 made by MILBERG WEISS check payable to the Intermediary Lawyers  
3 or other professionals selected by the Paid Plaintiffs, who then  
4 used and disbursed the payments at the direction, and for the  
5 benefit, of the Paid Plaintiffs.

6 48. To further conceal and disguise the kickbacks paid to  
7 the Paid Plaintiffs in cash:

8 a. MILBERG WEISS, BERSHAD, Partner A, and others  
9 known and unknown to the Grand Jury obtained and caused to be  
10 obtained the cash in a manner that made the payments difficult to  
11 trace, including from casinos;

12 b. MILBERG WEISS, BERSHAD, and others known and  
13 unknown to the Grand Jury kept cash used to make such payments in  
14 a safe located in a credenza in BERSHAD's office at  
15 MILBERG WEISS, to which access was strictly limited;

16 c. MILBERG WEISS, BERSHAD, and others known and  
17 unknown to the Grand Jury failed to record such cash payments in  
18 MILBERG WEISS's accounting books and records.

19 49. To further conceal and disguise the kickbacks paid by  
20 MILBERG WEISS check made payable to the Intermediary Lawyers or  
21 other professionals selected by the Paid Plaintiffs:

22 a. MILBERG WEISS, BERSHAD, SCHULMAN, and others known  
23 and unknown to the Grand Jury caused such payments to be falsely  
24 characterized in MILBERG WEISS's accounting books and records as,  
25 among other things, referral fees, professional fees, and "fees  
26 to others" paid to the Intermediary Lawyers or other  
27 professionals;

28 / / /

/ / /

1  
2 b. MILBERG WEISS, BERSHAD, SCHULMAN, and others known  
3 and unknown to the Grand Jury falsely characterized such payments  
4 in accompanying cover letters as, among other things: the  
5 Intermediary Lawyer's "entitlement" for work and responsibility  
6 "assumed" in a Lawsuit; the Intermediary Lawyer's "share" of  
7 attorneys' fees for "work, services, and joint representation" of  
8 a Paid Plaintiff in a Lawsuit; "referral" fees earned by the  
9 Intermediary Lawyer in a Lawsuit; the Intermediary Lawyer's  
10 "participation" in MILBERG WEISS's fee award in a Lawsuit; or  
11 made "on account of cases" that MILBERG WEISS was "doing" with  
12 the Intermediary Lawyer or other professional;

13 c. MILBERG WEISS, BERSHAD, and others known and  
14 unknown to the Grand Jury provided and caused to be provided  
15 false and misleading information to MILBERG WEISS's outside  
16 accountants and tax return preparers concerning such payments,  
17 which helped to disguise them as legitimate fees paid for the  
18 benefit of the Intermediary Lawyers and other professionals,  
19 rather than as illegal kickback payments for the benefit of the  
20 Paid Plaintiffs; and

21 d. MILBERG WEISS, BERSHAD, and others known and  
22 unknown to the Grand Jury issued and caused to be issued IRS  
23 Forms 1099-MISC to the Intermediary Lawyers, which made it appear  
24 as if such payments were legal referral fees for the benefit of  
25 the Intermediary Lawyers.

26 50. After an Intermediary Lawyer or other professional  
27 received a kickback payment from MILBERG WEISS, the  
28 Paid Plaintiff directed the Intermediary Lawyer or other  
professional to use and apply such kickback payment for the

1 benefit of the Paid Plaintiff including, among other things:

2 (a) to make a payment directly to the Paid Plaintiff; (b) to  
3 satisfy legal fees or expenses that the Paid Plaintiff owed or  
4 would owe to the Intermediary Lawyer; and (c) to pay third  
5 parties to whom the Paid Plaintiff owed money.

6 **III. OVERT ACTS**

7 51. In furtherance of the conspiracy and to accomplish its  
8 object, defendants MILBERG WEISS, BERSHAD, SCHULMAN, and LAZAR,  
9 together with Partner A, Partner B, the other Paid Plaintiffs,  
10 and others known and unknown to the Grand Jury, committed and  
11 caused others to commit the following overt acts, among others,  
12 in the Central District of California and elsewhere, in  
13 connection with the following Lawsuits.

14 **A. Overt Acts in the Lazar Lawsuits**

15 **The Arcata Class Action**

16 Overt Act No. 1: On or about October 1, 1981,  
17 MILBERG WEISS and others known and unknown to the Grand Jury  
18 caused to be filed a verified class action and shareholder  
19 derivative action complaint in the Arcata lawsuit, naming  
20 defendant LAZAR as a plaintiff.

21 Overt Act No. 2: On or about March 1, 1982, in support  
22 of a request that the court certify Arcata as a class action,  
23 LAZAR falsely represented, under penalty of perjury, that he had  
24 "no agreement or understanding to share in the legal fees, if  
25 any, that are awarded to [MILBERG WEISS]."

26 Overt Act No. 3: On or about March 13, 1984,  
27 MILBERG WEISS obtained approximately \$821,000 in attorneys' fees  
28 awarded by the court in Arcata.

1

2 Overt Act No. 4: On or about April 19, 1984,  
3 MILBERG WEISS paid \$8,000 to Lazar Intermediary D, which  
4 MILBERG WEISS characterized in its accounting books and records  
5 as professional fees to Lazar Intermediary D relating to LAZAR.

6 Overt Act No. 5: In or about April 1984, LAZAR caused  
7 Lazar Intermediary D to use proceeds of the payment described in  
8 Overt Act No. 4 for LAZAR's benefit.

9 Overt Act No. 6: On or about April 19, 1984,  
10 MILBERG WEISS sent to Selzer and the Palm Springs Law Firm a  
11 \$32,000 check, which MILBERG WEISS characterized in its  
12 accounting books and records as professional fees to the Palm  
13 Springs Law Firm relating to LAZAR.

14 Overt Act No. 7: On or about April 30, 1984, LAZAR  
15 caused the Palm Springs Law Firm to use the proceeds of the check  
16 described in Overt Act No. 6 to satisfy \$32,000 in legal fees  
17 owed by LAZAR to the Palm Springs Law Firm.

18 Overt Act No. 8: On or about July 16, 1984,  
19 MILBERG WEISS obtained approximately \$547,168 in additional  
20 attorneys' fees awarded by the court in Arcata.

21 Overt Act No. 9: On or about August 23, 1984, LAZAR  
22 caused the Palm Springs Law Firm to send to MILBERG WEISS an  
23 invoice billing the New York Law Firm in the amount of \$54,000  
24 for "Legal Services rendered to Seymour Lazar."

25 Overt Act No. 10: On or about August 29, 1984,  
26 MILBERG WEISS sent to the Palm Springs Law Firm a \$54,000 check,  
27 which MILBERG WEISS characterized in its accounting books and  
28 records as "fees to others" paid to the Palm Springs Law Firm  
relating to Arcata.

Overt Act No. 11: On or about September 11, 1984, LAZAR and Selzer caused the Palm Springs Law Firm to deposit the \$54,000 check described in Overt Act No. 10 into a personal trust account established for the benefit of LAZAR.

Overt Acts Nos. 12-17: On or about the following dates, LAZAR and Selzer caused the Palm Springs Law Firm to use the proceeds of the \$54,000 check described in Overt Act No. 11 to make the following payments and credits, among others, for the benefit of LAZAR:

OVERT ACT	DATE	APPROXIMATE AMOUNT	RECIPIENT
No. 12	09/18/84	\$ 27,000	trust account of LAZAR's wife
No. 13	09/18/84	\$ 792	surveying firm
No. 14	10/11/84	\$ 2,000	law firm in Downey, California
No. 15	10/23/84	\$ 15,000	the Palm Springs Law Firm
No. 16	11/13/84	\$ 2,000	law firm in Downey, California
No. 17	12/4/84	\$ 2,000	law firm in Downey, California

Overt Act No. 18: On or about August 29, 1984, MILBERG WEISS recharacterized in its accounting books and records the \$8,000 and \$32,000 payments described in Overt Acts Nos. 4 and 6 from "professional fees" relating to LAZAR to "fees to others" relating to Arcata.

**The Standard Oil/British Petroleum Class Action**

Overt Act No. 19: In or about April 1987, MILBERG WEISS and others known and unknown to the Grand Jury caused to be filed a class action complaint in the Standard Oil/British Petroleum lawsuit, naming LAZAR as a plaintiff.



1  
2           Overt Act No. 20: On or about June 22, 1987, LAZAR  
3 caused Selzer to send a letter to Partner A purportedly  
4 confirming that MILBERG WEISS had agreed to pay 10% of the fees  
5 it received in Standard Oil/British Petroleum to the Palm Springs  
6 Law Firm "on account of services rendered by [the Palm Springs  
7 Law Firm] to Mr. Lazar" and requesting that MILBERG WEISS  
8 "advance" the Palm Springs Law Firm "\$50,000 on or before June  
9 30, 1987."

10           Overt Act No. 21: On or about June 29, 1987, MILBERG  
11 WEISS and BERSHAD caused to be sent to Selzer and the Palm  
12 Springs Law Firm a \$50,000 check, with a cover letter signed by  
13 BERSHAD falsely describing the payment as fees to Selzer and the  
14 Palm Springs Law Firm "in furtherance of arrangements made" with  
15 regard to "Lazar v. British Petroleum."

16           Overt Act No. 22: On or about June 30, 1987, LAZAR and  
17 Selzer caused the Palm Springs Law Firm to use the proceeds of  
18 the check described in Overt Act No. 21 to satisfy \$50,000 in  
19 legal fees that LAZAR owed to the Palm Springs Law Firm.

20           Overt Act No. 23: On or about August 21, 1989,  
21 MILBERG WEISS and BERSHAD caused to be sent to Selzer and the  
22 Palm Springs Law Firm a \$50,000 check, with a cover letter signed  
23 by BERSHAD falsely stating that the check "represent[ed] your  
24 share of fees earned on Lazar v. Standard Oil."

25           Overt Act No. 24: On or about August 25, 1989, LAZAR  
26 and Selzer caused the Palm Springs Law Firm to use the proceeds  
27 of the check described in Overt Act No. 23 to satisfy \$50,000 in  
28 legal fees that LAZAR owed to the Palm Springs Law Firm.

/ / /



**The Genentech I Class Action**

Overt Act No. 25: On or about January 9, 1990, MILBERG WEISS and others known and unknown to the Grand Jury caused to be filed with the court an amended class action complaint in the Genentech I lawsuit, naming LAZAR as a plaintiff.

Overt Act No. 26: On or about March 30, 1990, MILBERG WEISS and others known and unknown to the Grand Jury caused to be filed with the court a memorandum in support of a request that the court certify Genentech I as a class action, in which they falsely represented that LAZAR's interests in the lawsuit were "coextensive with, and in no way antagonistic to those of the members of the Class[.]"

Overt Act No. 27: On or about January 24, 1991, MILBERG WEISS and BERSHAD caused to be sent to Selzer and the Palm Springs Law Firm a \$150,000 check, with a cover letter signed by BERSHAD falsely stating that the check was a "payment toward your firm's referral entitlement in connection with [Genentech I]."

Overt Act No. 28: On or about January 28, 1991, LAZAR and Selzer caused the proceeds of the check described in Overt Act No. 27 to be deposited into the Palm Springs Law Firm's client trust account, for the benefit of LAZAR.

Overt Acts Nos. 29-31: On or about the following dates, LAZAR and Selzer caused the proceeds of the check described in Overt Act No. 27 to be used to make the following payments and credits for the benefit of LAZAR:

OVERT ACT	DATE	APPROXIMATE AMOUNT	RECIPIENT
No. 29	01/31/91	\$ 100,000	the Palm Springs Law Firm
No. 30	02/25/91	\$ 47,219	the Palm Springs Law Firm
No. 31	02/25/91	\$ 2,781	LAZAR's accountant

**The Ashland Oil Class Action**

Overt Act No. 32: On or about April 9, 1986, MILBERG WEISS and others known and unknown to the Grand Jury caused to be filed with the court a class action and shareholder derivative action complaint in the Ashland Oil lawsuit, naming LAZAR's wife as a plaintiff.

Overt Act No. 33: On or about November 3, 1988, after the removal and transfer of Ashland Oil from the Los Angeles County Superior Court to the United States District Court for the Southern District of New York, MILBERG WEISS and others known and unknown to the Grand Jury caused to be filed with the federal court a sworn affidavit in support of a request that the court certify Ashland Oil as a class action, in which they falsely represented that LAZAR's wife had "no conflict of interest" with "the other investors whom plaintiff seeks to represent."

Overt Act No. 34: On or about October 24, 1989, in an under-oath deposition in Ashland Oil, MILBERG WEISS and LAZAR caused LAZAR's wife to deny falsely that she had any "financial interest in the outcome of the lawsuit, other than what [she would] receive as damages if [her] individual complaint [was] successful."

Overt Act No. 35: On or about April 28, 1992, MILBERG WEISS and BERSHAD caused to be sent to Selzer and the Palm Springs Law Firm a \$150,000 check, with a cover letter

signed by BERSHAD falsely stating that the check was "in full payment of your firm's referral entitlement in connection with" Genentech I, Ashland Oil, and two other class actions in which LAZAR or a family member served as a named plaintiff.

Overt Act No. 36: On or about May 5, 1992, LAZAR and Selzer caused the check described in Overt Act No. 35 to be deposited into the Palm Springs Law Firm's client trust account for the benefit of LAZAR.

Overt Acts Nos. 37-38: On or about the following dates, LAZAR and Selzer caused the proceeds of the check described in Overt Act No. 35 to be used to make the following payments and credits for the benefit of LAZAR:

OVERT ACT	DATE	APPROXIMATE AMOUNT	RECIPIENT
No. 37	05/05/92	\$ 25,000	surveying firm
No. 38	05/05/92	\$ 125,000	the Palm Springs Law Firm

**The Beverly Hills Savings Class Action**

Overt Act No. 39: On or about December 11, 1985, MILBERG WEISS and others known and unknown to the Grand Jury caused to be filed with the court an amended class action complaint in the Beverly Hills Savings lawsuit, naming LAZAR as a plaintiff, in which they falsely represented, among other things, that LAZAR had "no interests which are contrary to or in conflict with" the absent class members.

Overt Act No. 40: On or about June 19, 1986, during an under-oath deposition in Beverly Hills Savings, LAZAR, acting in concert with MILBERG WEISS and others, falsely testified that he had no understanding by which he would receive "any monetary advantage or any monetary sum" other than his pro rata share of

the recovery available to all plaintiffs in the lawsuit.

Overt Act No. 41: On or about August 28, 1992, MILBERG WEISS obtained approximately \$900,785.53 in attorneys' fees awarded by the court in Beverly Hills Savings.

Overt Act No. 42: On or about December 17, 1992, MILBERG WEISS and BERSHAD caused to be sent to Selzer and the Palm Springs Law Firm a \$90,078.55 check, with a cover letter signed by BERSHAD falsely stating that the check "represent[ed] your entitlement with regard to work and responsibility assumed as counsel for Seymour Lazar" in Beverly Hills Savings.

Overt Acts Nos. 43-44: On or about the following dates, LAZAR and Selzer caused the proceeds of the check described in Overt Act No. 42 to be used to make the following payments and credits, among others, for the benefit of LAZAR:

OVERT ACT	DATE	APPROXIMATE AMOUNT	RECIPIENT
No. 43	12/18/92	\$ 85,820	the Palm Springs Law Firm
No. 44	12/23/92	\$ 4,258	engineering firm

#### The New Image Class Action

Overt Act No. 45: On or about November 27, 1990, MILBERG WEISS, LAZAR, and others known and unknown to the Grand Jury caused to be filed with the court a class action complaint in the New Image lawsuit, naming LAZAR as a plaintiff, in which they falsely represented that LAZAR had "no interest which is contrary to or in conflict with those of the Class he seeks to represent."

Overt Act No. 46: On or about April 25, 1991, in a written document that LAZAR verified under penalty of perjury,

1  
2 MILBERG WEISS and LAZAR falsely represented that LAZAR had never  
3 received any compensation from MILBERG WEISS or any of its  
4 partners, and that his "claims do not in any manner conflict  
with, or are . . . antagonistic to, those of the class."

5 Overt Act No. 47: On or about May 7, 1991, during an  
6 under-oath deposition in New Image, LAZAR, acting in concert with  
7 MILBERG WEISS and others, evaded answering questions regarding  
8 whether he had a "fee arrangement with" MILBERG WEISS by, among  
9 other things, denouncing the questioning as an "absolute insult."

10 Overt Act No. 48: On or about July 9, 1993, MILBERG  
11 WEISS and BERSHAD sent to Selzer and the Palm Springs Law Firm a  
12 \$51,880.79 check, along with a cover letter signed by BERSHAD  
13 falsely stating that the check "represent[ed] your entitlement  
14 with regard to work and responsibility assumed as counsel for  
15 Seymour Lazar" in New Image.

16 Overt Act No. 49: On or about July 12, 1993, LAZAR and  
17 Selzer caused the Palm Springs Law Firm to use the proceeds of  
18 the check described in Overt Act No. 48 to satisfy approximately  
19 \$51,880.79 in legal fees that LAZAR owed to the Palm Springs Law  
20 Firm.

21 **The W.R. Grace Class Action**

22 Overt Act No. 50: On or about October 19, 1995,  
23 MILBERG WEISS and others known and unknown to the Grand Jury  
24 caused to be filed with the court a class action complaint in the  
25 W.R. Grace lawsuit, naming LAZAR as a plaintiff, in which they  
26 falsely represented that LAZAR did not "have interests  
27 antagonistic to, or in conflict with, the Class."

28 / / /

Overt Act No. 51: On or about April 24, 1998,  
MILBERG WEISS obtained approximately \$2,531,519 in attorneys' fees awarded by the court in W.R. Grace.

Overt Act No. 52: On or about May 14, 1998,  
MILBERG WEISS and BERSHAD caused to be sent to the Palm Springs Law Firm a \$75,000 check, with a cover letter signed by BERSHAD falsely stating that the check was "in recognition of your supportive role with regard to [W.R. Grace] and our client."

Overt Acts Nos. 53-58: On or about the following dates,  
LAZAR caused the proceeds of the check described in Overt Act No. 52 to be used to make the following payments and credits, among others, for his benefit:

OVERT ACT	DATE	AMOUNT	RECIPIENT
No. 53	05/22/98	\$ 46,000	the Palm Springs Law Firm
No. 54	05/22/98	\$ 10,000	LAZAR's son
No. 55	06/01/98	\$ 7,900	the Selzer Law Firm
No. 56	06/01/98	\$ 2,000	Lazar Intermediary C
No. 57	06/01/98	\$ 3,000	Lazar Intermediary B
No. 58	08/07/98	\$ 5,000	Lazar Intermediary C

Overt Act No. 59: On or about June 25, 1999,  
MILBERG WEISS and BERSHAD caused to be sent to the Palm Springs Law Firm a \$50,000 check, with a cover letter signed by BERSHAD falsely stating that the check "represent[ed] an incremental payment of your participation in the fees earned in [Denny's and W.R. Grace]."

Overt Acts Nos. 60-61: On or about the following dates,  
LAZAR caused the proceeds of the check described in Overt Act No. 59 to be used to make the following payments and credits, among others, for his benefit:



OVERT ACT	DATE	APPROXIMATE AMOUNT	RECIPIENT
No. 60	06/30/99	\$ 44,079	the Palm Springs Law Firm
No. 61	07/20/99	\$ 5,000	the Selzer Law Firm

Overt Act No. 62: On or about December 8, 1999, MILBERG WEISS and BERSHAD caused to be sent to the Palm Springs Law Firm a \$75,000 check, with a cover letter signed by BERSHAD falsely stating that the check "represent[ed] further recognition of your participation and entitlement in the fees in [Denny's and W.R. Grace]."

Overt Acts Nos. 63-64: On or about the following dates, LAZAR caused the proceeds of the check described in Overt Act No. 62 to be used to make the following payments and credits for his benefit:

OVERT ACT	DATE	APPROXIMATE AMOUNT	RECIPIENT
No. 63	12/10/99	\$ 60,000	the Palm Springs Law Firm
No. 64	12/21/99	\$ 15,000	the Selzer Law Firm

Overt Acts Nos. 65-72: On or about the following dates, LAZAR and Selzer caused the proceeds of the \$15,000 payment described in Overt Act No. 64 to be used to make the following payments and credits, among others, for the further benefit of LAZAR:

OVERT ACT	DATE	APPROXIMATE AMOUNT	RECIPIENT
No. 65	02/04/00	\$ 3,000	public land specialist
No. 66	02/14/00	\$ 150	title searcher
No. 67	03/03/00	\$ 1,695	title company
No. 68	04/05/00	\$ 10	Los Angeles County
No. 69	04/05/00	\$ 165	Riverside County



OVERT ACT	DATE	APPROXIMATE AMOUNT	RECIPIENT
No. 70	05/05/00	\$ 1	Los Angeles County
No. 71	06/23/00	\$ 5,000	LAZAR's personal trust account
No. 72	06/30/00	\$ 354	public land specialist

Overt Act No. 73: On or about May 26, 2000, MILBERG WEISS and BERSHAD caused to be sent to the Palm Springs Law Firm a \$125,000 check, with a cover letter signed by BERSHAD falsely stating that the check was an "additional payment upon and on account of a number of the cases we have been doing including among others W.R. Grace and Denny's."

Overt Acts Nos. 74-76: On or about the following dates, LAZAR caused the proceeds of the check described in Overt Act No. 73 to be used to make the following payments and credits for his benefit:

OVERT ACT	DATE	APPROXIMATE AMOUNT	RECIPIENT
No. 74	06/13/00	\$ 30,564	the Selzer Law Firm
No. 75	06/20/00	\$ 75,461	the Palm Springs Law Firm
No. 76	07/20/00	\$ 18,975	the Selzer Law Firm

Overt Acts Nos. 77-79: On or about the following dates, LAZAR and Selzer caused the proceeds of the payments described in Overt Acts Nos. 74 and 76 to be used to make the following payments and credits for the further benefit of LAZAR:

OVERT ACT	DATE	APPROXIMATE AMOUNT	RECIPIENT
No. 77	07/28/00	\$ 525	engineering firm
No. 78	07/31/00	\$ 3,975	the Selzer Law Firm
No. 79	08/07/00	\$ 19,100	LAZAR's personal trust account

**Other Overt Acts in Lazar Lawsuits**

Overt Act No. 80: On or about February 1, 1984, during an under-oath deposition taken in the Lazar Lawsuit Seymour Lazar v. Unity Buying Service Co., Civ. No. 511287 (San Diego County, California, Superior Court) ("Unity Buying"), LAZAR, acting in concert with MILBERG WEISS and others, falsely denied that he contemplated sharing in any award of attorneys' fees in Unity Buying or Arcata.

Overt Act No. 81: On or about January 30, 1985, in the Lazar Lawsuit Seymour Lazar v. James D. Sadlier, et al., CV 84-8100-WJR (United States District Court, Central District of California) ("Arrays"), MILBERG WEISS and others known and unknown to the Grand Jury caused to be filed with the court a memorandum in support of a request that the court certify Arrays as a class action, in which they falsely represented that LAZAR's interests in the lawsuit were "congruent with and not in conflict with those of the members of the class."

Overt Act No. 82: On or about March 12, 1985, during an under-oath deposition in Arrays, LAZAR, acting in concert with MILBERG WEISS and others, falsely testified that he had "never, ever received any sums from [MILBERG WEISS] whatsoever," and falsely denied that he had "any arrangement" with MILBERG WEISS under which he was "to receive or might anticipate receiving any of the award in [Arrays] aside from [his] own personal recovery as a plaintiff."

Overt Act No. 83: On or about June 10, 1985, LAZAR caused Lazar Intermediary E to send an invoice in the amount of \$25,000 to MILBERG WEISS for "professional services rendered."

1  
2           Overt Act No. 84: On or about June 25, 1985,  
3 MILBERG WEISS and Partner B caused to be sent to Lazar  
4 Intermediary E a \$25,000 check.

5           Overt Act No. 85: On or about July 5, 1985, LAZAR  
6 caused Lazar Intermediary E to send \$22,500 from the proceeds of  
7 the check described in Overt Act No. 84 to Selzer and the Palm  
8 Springs Law Firm, with a cover letter stating that the payment  
9 represented proceeds of a check from the MILBERG WEISS  
10 "ostensibly for legal services" that Lazar Intermediary E did not  
11 in fact perform.

12           Overt Act No. 86: On or about July 5, 1985, LAZAR and  
13 Selzer caused the \$22,500 payment described in Overt Act No. 85  
14 to be deposited into a client trust account maintained by the  
15 Palm Springs Law Firm for the benefit of LAZAR.

16           Overt Act No. 87: On or about December 10, 1986,  
17 MILBERG WEISS and Partner B caused to be sent to Lazar  
18 Intermediary A, who was representing LAZAR in connection with a  
19 dispute between LAZAR and a bank, a \$35,000 check with a cover  
20 letter signed by Partner B falsely stating that the payment was  
21 "to satisfy our fee obligation to you" in a case referred to as  
22 Union Carbide.

23           Overt Act No. 88: On or about December 12, 1986, LAZAR  
24 caused Lazar Intermediary A to use the proceeds of the check  
25 described in Overt Act No. 87 to satisfy legal fees that LAZAR  
26 owed to Lazar Intermediary A.

27           Overt Act No. 89: On or about May 5, 1987,  
28 MILBERG WEISS and Partner B caused to be sent to Lazar  
Intermediary A a \$45,000 check, which MILBERG WEISS falsely

1  
2 characterized in its accounting books and records as "? prof  
3 fees."

4 Overt Act No. 90: On or about May 7, 1987, LAZAR caused  
5 Lazar Intermediary A to use approximately \$23,851.60 from the  
6 proceeds of the check described in Overt Act No. 89 to satisfy  
7 legal fees that LAZAR owed to Lazar Intermediary A.

8 Overt Act No. 91: On or about May 11, 1987, LAZAR  
9 caused Lazar Intermediary A to use the remaining approximately  
10 \$21,148.40 from the proceeds of the check described in Overt Act  
11 No. 89 as a credit toward future legal fees that LAZAR would owe  
12 to Lazar Intermediary A.

13 Overt Act No. 92: On or about March 10, 1995,  
14 MILBERG WEISS and BERSHAD caused to be sent to one of LAZAR's  
15 sons, who was an attorney, a \$250,000 check with a cover letter  
16 signed by BERSHAD falsely stating that the payment represented  
17 "your participation in our fee in the [United Airlines]  
18 litigation in accordance with our agreement."

19 Overt Act No. 93: On or about March 13, 1995, LAZAR  
20 caused the check described in Overt Act No. 92 to be deposited  
21 into his daughter-in-law's personal checking account, to be used  
22 for the personal benefit of LAZAR and his son.

23 Overt Act No. 94: On or about July 17, 1995,  
24 MILBERG WEISS and BERSHAD caused to be sent to Lazar Intermediary  
25 B a \$35,000 check, along with a cover letter signed by BERSHAD  
26 falsely stating that the check was "your share of the attorney's  
27 fee" in Zenith National.

28 Overt Act No. 95: On or about July 31, 1995, LAZAR  
caused Lazar Intermediary B to use the proceeds from the check

described in Overt Act No. 94 to satisfy \$35,000 in fees that LAZAR owed to Lazar Intermediary B.

Overt Act No. 96: On or about March 7, 1996, MILBERG WEISS and BERSHAD caused to be sent to Lazar Intermediary C a \$25,000 check, with a cover letter signed by BERSHAD falsely describing the payment as Lazar Intermediary C's "participation in the most recent fee" obtained by MILBERG WEISS, and which MILBERG WEISS falsely characterized in its accounting books and records as a referral fee paid to Lazar Intermediary C in the Community Psychiatric class action.

Overt Act No. 97: On or about March 11, 1996, LAZAR caused Lazar Intermediary C to use the proceeds of the check described in Overt Act No. 96 to satisfy legal fees that LAZAR owed to Lazar Intermediary C.

Overt Act No. 98: On or about August 12, 1998, MILBERG WEISS and BERSHAD caused to be sent to the Palm Springs Law Firm a \$50,000 check, with a cover letter signed by BERSHAD falsely stating that the payment was "in recognition of your contribution to the legal effort in the Denny's litigation."

Overt Acts Nos. 99-100: On or about the following dates, LAZAR caused the proceeds of the check described in Overt Act No. 98 to be used to make the following payments and credits, among others, for his benefit:

OVERT ACT	DATE	APPROXIMATE AMOUNT	RECIPIENT
No. 99	08/18/98	\$ 18,000	the Palm Springs Law Firm
No. 100	08/26/98	\$ 23,000	Lazar Intermediary B

Overt Acts Nos. 101-102: On or about the following dates, LAZAR caused Lazar Intermediary B to use the proceeds of

\$23,000 payment described in Overt Act No. 100 to make the following payments and credits for his further benefit:

OVERT ACT	DATE	APPROXIMATE AMOUNT	RECIPIENT
No. 101	09/08/98	\$ 5,000	LAZAR's son
No. 102	09/11/98	\$ 18,000	investment in LAZAR's name

Overt Act No. 103: On or about December 2, 1998, in the Lazar Lawsuit Seymour Lazar v. Micro Focus Group PLC, et al., Civ. 98-8591 (United States District Court, Southern District of New York), in which LAZAR was a named plaintiff, LAZAR falsely certified, under penalty of perjury, that he would "not accept any payment for serving as a representative party on behalf of a class beyond plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class as ordered and approved by the Court."

Overt Act No. 104: On or about December 13, 1999, in the Lazar Lawsuit Helene Giarputo and Seymour Lazar v. Xerox Corp. et al., 99 CV 2374 (United States District Court, District of Connecticut), in which LAZAR was a named plaintiff, LAZAR falsely certified, under penalty of perjury, that he would "not accept any payment for serving as a representative party on behalf of a class beyond plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class as ordered and approved by the Court."

Overt Act No. 105: On or about December 28, 2000, MILBERG WEISS and BERSHAD caused to be sent to the Palm Springs Law Firm a \$50,000 check, which MILBERG WEISS's accounting books